

Ms Kate Kidson
Principal Adviser, Listings Compliance (Melbourne)
ASX Limited
Level 4, North Tower, 525 Collins Street,
Melbourne VIC 3000
Email: kate.kidson@asx.com.au

28 November 2013

Dear Kate,

RE: XTEK LIMITED ASX PRICE QUERY

I am writing in respect to your letter dated 28 November 2013 concerning a change in XTEK (XTE) securities from the close of trading on 27 November 2013 of 3.2 cents to an intra-day high of 6.3 cents on 28 November 2013. In responding to the questions as raised in your correspondence, I am able to offer the following information:

Question 1 Is the Entity aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?

Answer: No, the Company is not aware of any such information.

Question 2 Not applicable

Question 3 If the answer to Question 1 is "No", is there any other explanation that the Entity may have for the recent trading in its securities?

Answer: The Company is of a view that the recent trading in its securities may be a result of recent publicity given to the Company through various media reports published during the period 14 October - 21 November 2013. In particular, the Company considers the media report as published in the Australian Financial Review (AFR) on 21 November 2013 may have contributed to the recent trading in its securities. The AFR article relates to a significant international contract up to the value of \$1.5m awarded to the Company by the US Department of Defense Foreign Comparative Testing Program. This contract will see the Company undertake lightweight hard armour development and testing work for the US Army utilising XTEK's novel XTclave™ composite consolidation technology. The Company released an ASX market announcement covering this matter on 5 July 2013.

Question 4 Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

Answer: The Company considers it is in full compliance with the ASX Listing Rules and has met its continuous disclosure obligations and, in particular Listing Rule 3.1 obligations.

I trust the above information is to your satisfaction, should you require any further information in respect to this matter please contact myself in the first instance.

Yours sincerely



Lawrence A. Gardiner
Company Secretary
For and on behalf of
XTEK Limited



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28 November 2013

Mr Lawrence Gardiner
Company Secretary
Xtek Limited

Dear Lawrence,

Xtek Limited (the "Entity"): ASX price query

We have noted a change in the price of the Entity's securities from a close yesterday of 3.2 cents to an intra-day high of 6.3 cents at the time of writing today. We have also noted an increase in the volume of trading in the Entity's securities over this period.

In light of the price change and increase in volume, ASX asks you to respond separately to each of the following questions:

1. Is the Entity aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
2. If the answer to question 1 is "yes":
 - a) Is the Entity relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1?

Please note that the recent trading in the Entity's securities would suggest to ASX that such information may have ceased to be confidential and therefore the Entity may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.

- b) Can an announcement be made immediately?
Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).
 - c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is "no", is there any other explanation that the Entity may have for the recent trading in its securities?

4. Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than half an hour before the start of trading (ie. before 9.30 AM. AEDT) on 29 November 2013. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Entity's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Entity's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at kate.kidson@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

The obligation of the Entity to disclose information under Listing Rules 3.1 and 3.1A is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

In responding to this letter, you should have regard to the Entity's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1– 3.1B*.

Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in the Entity's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

Sent by electronic means without signature

Kate Kidson

Principal Adviser, Listings Compliance (Melbourne)